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**YUGOSLAVIA**

1. The appointment of a new Soviet charge in Yugoslavia does not alter relations between the two countries.
  - a. Orbit propaganda continues to attack the Tito regime.
  - b. Tito's recent speech, which reaffirmed his alignment with the West, indicates his concern over the Soviet effort to split him from his new allies.

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State Department review completed

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**JAPAN**

1. The new Liberal Party government will have only a very short life unless it can get the cooperation of the other important conservative group, the Progressive Party.
  - a. There are no serious policy differences between the two parties.
  - b. Cooperation is hampered by personal feuding and a general resentment against Yoshida, now premier for the fifth time.

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**ARAB LEGION REPORTEDLY REGROUPING  
ON ISRAELI-JORDANIAN BORDER**

1. Ambassador Green in Amman reports that Arab Legion units in Western Jordan are being reinforced and regrouped against any eventuality on the Israeli border.
  - a. Green warns that the new Jordanian prime minister, Fawzi Al-Mulqi, may disregard his plea for moderation, since Mulqi lacks his predecessor's restraint.
2. The Arab Legion, which is under British control, has normally been a restraining influence in Jordan's relations with Israel.
  - a. This fact, as well as the superior strength of the Israeli forces, suggests that the reported measures are precautionary.

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- [REDACTED]
- b. Any change in the Legion's attitude, however, would encourage extremists in Jordan and invite Israeli counteraction.
  3. On 23 May, the Jordanian Foreign Office, in a note to the United States, urged the latter, as a partner to the tripartite agreement which guaranteed the armistice lines, to stop Israel's "treacherous, aggressive activities."

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**CHINA**

1. The Peiping radio recently announced that poor weather has affected wheat crops throughout China.
  - a. As exported wheat is a major source of revenue for the Communists, a drop in the harvest would have an adverse effect on China's industrial construction program.

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INDOCHINA

1. Military action centers in the Tonkin delta, where 45,000 Viet Minh are attempting to seize the rice harvest.
  - a. The situation in Laos is quiet, but the Communists are preparing for an offensive in the fall.
  - b. The reported arrival of as many as 2,000 Soviet trucks in South China would greatly increase the Chinese Communists' ability to supply the Viet Minh.
2. The leader of the Vietnam state, Premier Tam, is secretly elated by the French action in devaluating the piaster.
  - a. Tam has publicly protested against this unilateral move by Paris.
  - b. However, he feels it has united Vietnamese opinion behind him so that he can now step up his program for complete independence.

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**BURMA**

1. The first meetings of the commission studying the problem of the Chinese Nationalist troops in Burma have produced no change in the situation.
  - a. Li Mi, the leader of the Nationalist troops, foresees only a partial evacuation, and that only if the Burmese order a cease-fire.
  - b. On the other hand, the Burmese representative at the Bangkok meeting called for a complete withdrawal and is opposed to a general cease-fire.

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**FRANCE**

1. The new French government may get some stronger financial powers, but no basic change is likely in the government's tight financial situation.
  - a. A further increase in inflationary pressures together with new cuts in defense expenditures can be expected.
2. On foreign policy, the new government may find it easier to postpone action on EDC in view of the possibility of four-power talks.

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COCOM

1. There is growing opposition in Europe to the American position on trade with the Soviet bloc.
  - a. In a COCOM meeting, only Belgium voted with the US to oppose Italy's request to ship one million dollars worth of bearings to Czechoslovakia.
  - b. The new French trade agreement with the USSR will call for the shipment of lead and the transfer of six cargo ships to the Soviet Union.

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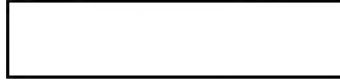
**IRAN**

1. Religious fanatics led by Mullah Kashani may be plotting a reign of terror against Mossadeq on the grounds that he has allied himself with the communist Tudeh party.
  - a. The premier has ordered police protection for government leaders allegedly marked for assassination.
  - b. It may be that this threat of violence will cause Mossadeq to adopt a less conciliatory attitude toward the communists.

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**EGYPT**

1. Surface tensions between the British and Egyptians have lessened slightly, but internal pressure against the Nagib regime continues to build up.

- a.  religious extremists, in combination with the powerful Wafd party, are working against the government.

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**ARABS--MEDO**

1. The Arab states have announced that they will meet in Syria on 25 June to put into effect the Arab Collective Security Pact.
  - a. This would dim the outlook for MEDO, as the Arabs are increasingly insistant that the West accept the Arab pact as the device for regional defense.

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**ARGENTINE**

1. Although President Peron has temporarily lifted the restrictions on American news agencies in Argentina, congressional investigation of the press services is continuing.
  - a. Therefore it is not yet clear whether or not Peron intends to renew his anti-American campaign throughout the hemisphere.

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